

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:989
ANSWERED ON:22.07.2016
Committee on Bad Loans
Butta Smt. Renuka

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has constituted a committee to look into the issues of bad loans in the wake of recent instances of bankruptcy by the debtors, if so, the details thereof;
- (b) whether the said committee has submitted its report on bad loans;
- (c) if so, the details of main recommendations of the said committee and the action taken by the Government thereon;
- (d) if not, the time by which the said committee is likely to submit its report; and
- (e) the details of the measures being taken by the Government to curtail bad debts and save the exchequer from bad loans?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

- (a) No, Sir.
- (b) to (d) Does not arise.
- (e) The government has taken specific measures to address issues in sectors such as Infrastructure (Power, Roads etc.), Steel and Textiles, where incidence of NPAs is high. The government has also approved establishment of six (6) new Debt Recovery Tribunals (DRTs), to speed up the recovery of bad loans of the banking sector, in addition to existing thirty three. Reserve Bank of India (RBI) has also undertaken steps which include (i) Formation of Joint Lenders' Forum (JLF) for revitalizing stressed assets in the system, (ii) Flexible Structuring for long term project loans to Infrastructure and Core industries, and (iii) Strategic Debt Restructuring (SDR) scheme (iv) Scheme for Sustainable Structuring of Stressed Assets (S4A). The Government has recently issued advisory to banks to take action against guarantors in event of default by borrower under relevant sections of SARFAESI Act, Indian Contract Act & RDDB&FI Act, since in the event of default; the liability of the guarantor is co-extensive with the borrower.
